

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, NOVEMBER 9, 2016– SUBJECT TO REVIEW AND APPROVAL
FINAL VERSION OF THESE MINUTES WILL BE POSTED AFTER APPROVAL OF THE INVESTMENT
ADVISORY COUNCIL AT THE NEXT MONTHLY MEETING, WHICH WILL BE HELD ON
WEDNESDAY, DECEMBER 14, 2016**

MEETING NO. 436

Members present:

Thomas Fiore, representing Benjamin Barnes**
Joshua Hall
David (Duke) Himmelreich
Michael LeClair*
Steven Muench
William Murray
Denise L. Nappier, Treasurer
Carol Thomas, Interim Chair

Others present:

Lawrence Wilson, Interim Deputy Treasurer
Deborah Spalding, Chief Investment Officer
David Barrett, Director of Communications
Karen Grenon, Assistant General Counsel
Mary Phil Guinan, Assistant Treasurer-Policy
Wayne Hypolite, Executive Assistant
Catherine E. LaMarr, General Counsel
Laurie Martin, Deputy Chief Investment Officer
Christina McGinnis, Executive Secretary
Linda Tudan, Executive Assistant

*Arrival 9:05a.m.

**Departed 10:01a.m.

Guests:

Molly Bordonaro, Gerding Edlen, LP
Rob Carr, Penserra
Tom Cosmer, PineBridge Investments
Kathryn DeNitto, State Street
Kristin DePlatchett, StepStone Group, LP
Michael Elio, StepStone Group, LP
Will Greene, Loop Capital
C. Alexander Harman, JFL Equity Investors, LP
Jim Kane, Unite Here
Robert Kochis, The Townsend Group
Louis N. Mintz, JFL Equity Investors, LP
Aditya Raina, StepStone Group, LP
Kelly Saito, Gerding Edlen, LP
Claire Shaugnessy, AonHewitt Investment Consulting
Diane Smola, AonHewitt Investment Consulting
Michael Stark, The Townsend Group
Kevin Sullivan, BNY Mellon

With a quorum present, Interim Chair Carol Thomas called the Investment Advisory Council (“IAC”) meeting to order at 9:02 a.m.

Chair Thomas called for a motion to accept the report on Corporate Governance activities as of June 30, 2016 presented at the October 12, 2016 IAC meeting. **A motion was made by Duke Himmelreich, seconded by Thomas Fiore, to accept the report on Corporate Governance activities. There were two abstentions, Steven Muench and William Murray. There being no discussion, Chair Thomas put the question to a vote and the motion passed unanimously.**

Chair Thomas presented the draft IAC Meeting Schedule for the 2017 calendar year. **Joshua Hale moved to accept the IAC Meeting Schedule for the 2017 calendar year. The motion was seconded by Mr. Muench. There being no discussion, the Chair called for the vote. The motion passed unanimously.**

Approval of Minutes of the October 12, 2016 IAC Meeting

Chair Thomas called for a motion to approve the minutes of the October 12, 2016 IAC meeting. **Mr. Fiore moved to approve the minutes of the October 12, 2016 IAC meeting. The motion was seconded by Mr. Himmelreich. There were two abstentions, Mr. Muench and Mr. Murray. There being no further discussion, the Chair called for the vote. The motion passed unanimously.**

Comments by the Treasurer

Treasurer Denise L. Nappier began her opening remarks by commenting on the current election and the newly elected President.

Treasurer Nappier then stated that after giving consideration to the feedback from the IAC and to the extensive due diligence process conducted by investment professionals and the Private Investment Fund (“PIF”) consultant, StepStone Group (“StepStone”), she had decided to make a

commitment of up to \$50 million to Leeds Equity Partners VI, L.P., a corporate finance buyout strategy opportunity, which will primarily focus on small and lower middle-market investments.

She then announced that after giving consideration to the feedback from the IAC and to the extensive due diligence process once again conducted by investment professionals and StepStone, she had decided to make a commitment of up to \$100 million to Vista Equity Partners Fund VI, L.P., also a corporate finance buyout strategy opportunity, which will primarily focus on upper middle-market investments.

Treasurer Nappier next commented on an article, “Teacher pension costs to surge, widen hole in next state budget”.

She then gave a brief update on the investment performance for the two largest pension plans in the Connecticut Retirement Plans and Trust Funds (“CRPTF”); the State Employees’ Retirement Fund (“SERF”) and the Teachers’ Retirement Fund (“TERF”), for the month ended September 30, 2016.

Lastly, Treasurer Nappier commented on the agenda and announced that two managers were being presented for consideration by the IAC: JFL Equity Investors IV, L.P. (“JFL IV”), a private equity opportunity for the PIF and Gerding Edlen Green Cities III, L.P. (“Gerding III”), a value-add fund opportunity for the Real Estate Fund (“REF”).

Update on the Market, the Connecticut Retirement Plans and Trust Funds Final Performance for Month Ended September 30, 2016

Deborah Spalding, Chief Investment Officer (“CIO”), provided an update on the capital market environment, its impact on the CRPTF performance and the economic outlook. Next, she reported on the investment performance for the month ended September 30, 2016.

Presentation by and Consideration of JFL Equity Investors IV, L.P.

Ms. Spalding provided opening remarks and introduced JFL IV, a PIF opportunity. JFL IV, represented by Louis N. Mintz, Partner, and C. Alexander Harman, Partner, made a presentation to the IAC.

Roll Call of Reactions of JFL Equity Investors IV, L.P.

Messrs. Fiore, Himmelreich, Murray, Muench, Hall, Michael LeClair, and Chair Thomas provided feedback on the PIF opportunity.

Chair Thomas called for a motion to waive the 45-day comment period. **A motion was made by Mr. Murray, seconded by Mr. Hall, to waive the 45-day comment period for JFL Equity Investors IV, L.P. There being no discussion, the Chair put the question to a vote and the motion was passed unanimously.**

Presentation by and Consideration of Gerding Edlen Green Cities III, L.P.

Ms. Spalding provided opening remarks and introduced Gerding III, an REF opportunity. Gerding III, represented by Kelly Saito, Co-Managing Partner, and Molly Bordonaro, Co-Managing Partner, made a presentation to the IAC.

Roll Call of Reactions of Gerding Edlen Green Cities III, L.P.

Messrs. Hall, Himmelreich, Murray, Muench, Mr. LeClair, and Chair Thomas provided feedback on the REF opportunity.

Chair Thomas called for a motion to waive the 45-day comment period. **A motion was made by Mr. Muench, seconded by Mr. Murray, to waive the 45-day comment period for Gerding Edlen Green Cities III, L.P. There being no discussion, the Chair put the question to a vote and the motion was passed unanimously.**

Other Business

Chair Thomas invited the IAC members to submit agenda items for the December 14, 2016 IAC meeting.

Comments by the Chair

There being no further business, Chair Thomas called for a motion to adjourn the meeting. **Mr. Murray moved to adjourn the meeting and the motion was seconded by Mr. Himmelreich.** There being no discussion, the meeting was adjourned at 10:43 a.m.

This meeting was electronically recorded.